

29 April 1955

MEMORANDUM FOR: Ch/D/E

Attn: [REDACTED]

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SUBJECT

: EDIC/EXCON Reference Report, April 1955

Summary - The Economic Defense Intelligence Committee met twice during April. It explored further the problem of providing intelligence on decontrolled commodities; inquired into the status of collection of economic defense intelligence; undertook preliminary investigation on the pattern of Soviet bloc strategic exports to the West; studied the progress being made on research programming for economic defense; and initiated a survey on EDIC functions and operations. The Executive Secretary arranged the meetings of 14 and 28 April; continued work on the NDAC Fact Sheet program and COCOM downgrading project; and prepared a variety of memoranda for EDIC and D/E. [REDACTED] carried on EXCON reference activities and assisted the Executive Secretary in his EDIC and COCOM downgrading responsibilities. [REDACTED] was assigned to EXCON reference work while [REDACTED] was transferred to E/C(t).

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EXCON Reference Activities

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[REDACTED] continued to answer requests for information and documents from the EXCON reference files, including CG/COCOM/CHINCOM, EDAC/EC, EDIC and JOC material. Analysts from both branches have come to rely heavily on this reference service with the result that much of [REDACTED] time each day is spent on this phase of work. As described in the monthly report for March, a new procedure for maintaining E/C(x) cables was activated during April. Cables are now filed chronologically by category and post while the cable subject file has been discontinued.

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By E/C agreement, [REDACTED] has assumed responsibility for maintenance of the JOC, ACEP and OC numerical files, and is responsible also for internal D/E distribution of this Commerce material. [REDACTED] was assigned on 26 April to assist in analysis of COCOM material and in carrying on related EXCON activities, but was obliged to report on 2 May for the three-week Basic Training Course. During the month

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[REDACTED] was reassigned from the EXCON reference service to E/C(t).

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Although the COCOM downgrading project is nearing completion, approximately 600 documents remain to be checked for classification. The Executive Secretary has now completed the review of more than 2,500 documents and [REDACTED] began the tabbing of the index cards of those documents which must retain a Secret classification. Completion of the downgrading project will be facilitated by receipt from Paris of a list

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(expected this week) of all CG/COCOM/CHINCOM documents issued by the COCOM secretariat. The Executive Secretary (in company with EX/RR and the CIA Classification officer) held conversations during the month with the AD/RR and with FI and SO officials to clarify the CIA position on downgrading. The SO position was explained by [REDACTED] FI/ROM assured [REDACTED] SO Policy Staff. [REDACTED]

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the Executive Secretary that FI/ROM concurred in the criteria used and the technique followed in processing of documents and that FI interposed no objection to the downgrading of selected documents on this basis. A memorandum is soon to be sent from EX/RR to Chief, FI/ROM requesting confirmation of this FI position.

The Executive Secretary met with Management representatives to arrange for storage of EXCON and EDIC material. Work on the MDAC Fact Sheet program slackened during the month and only one additional draft fact sheet - that on Bloc Methods of Conducting Trade - was received for CIA review. Of a total of 38 Fact Sheets scheduled, 15 have been completed or are well underway. It is anticipated that approximately 12 additional Fact Sheets will be received for CIA review. Comments were submitted to Deputy Chief, D/E on a [REDACTED] memorandum on "Possibilities of Pre-emption as a Weapon Against the Soviet Bloc in Time of War". A [REDACTED] representative was briefed on the organization and operations of EDIC. In addition, the Executive Secretary prepared the following memoranda:

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- a) Draft memorandum from Director of Security to Chief, ECD/ITR/State on "COCOM/CHINCOM Secretariat Security Arrangements". (SO declined to forward this memorandum).
- b) Memorandum for Executive Secretary, EDAC - Summary of Current EDIC Activities - MDAC Newsletter No. 26
- c) Memorandum from Ch/C for Secretary, IAC - Data Regarding the Economic Defense Intelligence Committee
- d) Memorandum for Ch/C on "Surveillance of Decontrolled Commodities"
- e) EDIC/AM-10, "Balance-Sheet of EDIC Accomplishments and Shortcomings"
- f) Memorandum for Ch/D/E - "Statement of E/C(x) Responsibility for JOC and Related Commerce Materials"
- g) EDIC/M-8, Minutes of 8th EDIC Meeting

- h) Memorandum for Chairman, JOC on "Attendance of JOC Observer at EDIC Meetings"
- i) Memorandum for Mr. William Watts, LD/CD on "Distribution of Selected Commerce Material"
- j) Memorandum for Mr. John Garrett, ACEP Staff - "Request for Change in Distribution of JOC, ACEP and OC Material"
- k) Memorandum for Ch/D/E on "Intelligence on Soviet Trade Trends and Tactics"


Economic Defense Intelligence Committee

The EDIC met twice during April. It explored further the problem of providing intelligence for surveillance of decontrolled commodities and decided that, as a first step, Commerce would provide Defense with a list of manufacturers and exporters of the items in question. Defense would then attempt to obtain information from their MDAP contractors on movements to the bloc of decontrolled commodities. EDIC agreed that every possible avenue should be explored in obtaining required information since the EDAC community will undoubtedly be requested (possibly by the Dodge Council) to assess the results of decontrol. The Commerce member did point out, however, that this entire exercise is somewhat academic in view of the large quotas which have been established for IL-II items.

EDIC attention was called to the possible need for an intelligence study on the changing pattern of Soviet bloc strategic exports to the West. Illustrative examples of Soviet exports of controlled items were circulated for EDIC comment, and Executive Committee guidance on the utility of further study will be requested.

During April the EDIC also inquired into the status of collection of economic defense intelligence, studied the progress being made on research programming for economic defense, and initiated a survey on EDIC functions and operations.

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Attachment:
Tab VI

Distribution:
0 & 1 - addressee
1 - E/C Chrono
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TAB VI -- ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

ACTIVITIES, APRIL 1955

A. Meetings Held: 14 and 28 April

B. Review or Coordination of Intelligence Projects

1. Initiation of Cases or Projects

- a) Intelligence Request No. 5 - Pending Bloc Shipbuilding Orders (MDAC/State request for information prepared by CIA)
- b) Preliminary survey on pattern of Soviet bloc strategic exports to the West (ref: EDIC/ID-13, CIA Statement on "Exports of Capital Equipment and Industrial Materials from the Soviet Bloc")

2. Consideration of Projects in Process

- a) Surveillance of Decontrolled Commodities (IAG Case 76) - review of availability of pertinent information.

3. Review and/or Approval of Completed Projects

None

C. Reports to EDIC on Actions of EDAC, Executive Committee and JOC

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1. Report by Acting Chairman on briefing of [REDACTED]
2. Report by MDAC Member on status of research programming for economic defense

D. Measures to Improve Intelligence Collection and Utilization

1. Report on measures taken by CIA and MDAC to improve collection of enforcement intelligence
2. Initiation of survey on functions and operations of EDIC (ref: EDIC/AM-10, "Balance-Sheet of EDIC Accomplishments and Shortcomings")

E. Distribution of Spot Intelligence Contributions, Etc.

1. EDIC/AM-11, Transmittal of Cumulative Listing of Selected IWG and EDIC Intelligence Publications
2. State IR No. 6890 - Soviet Foreign Trade; Policies, Performance, and Prospects
3. State IR No. 6539 - Basic Factors in Free World Shipping and Shipbuilding of Significance to the Strategic Controls Issue
4. State IR No. 6864 - Recent Indications of Change in Soviet Trade Policy
5. State IR No. 6856 - Recent Trends in East-West European Trade

TAB VI

6. State IR No. 6866 - Present [REDACTED] Attitudes Toward Bloc 25X6A
Vessel Orders
7. State IR No. 6527-R - [REDACTED] Trade Expansion 25X6A
8. State IR No. 6880 - Recent Sino-Soviet Economic Efforts
to Penetrate Non-Communist Asia
9. Announcement of State/MC change of membership on EDIC -
Mr. Charles D. Martin vice Mr. Orray Taft, Jr.
10. Consideration of request by Mr. Blackman for attendance
of JOC observer at EDIC meetings.